

H-8234

2 1. By striking page 1, line 1, through page 5, line 29, and
3 inserting:

5 1. By striking everything after the enacting clause and
6 inserting:

CHILD AND DEPENDENT CARE TAX CREDIT

12 1. The taxes imposed under this subchapter, less the amounts
13 of nonrefundable credits allowed under this subchapter, shall
14 be reduced by a child and dependent care credit equal to the
15 following percentages of the federal child and dependent care
16 credit provided in section 21 of the Internal Revenue Code,
17 without regard to whether or not the federal credit was limited
18 by the taxpayer's federal tax liability:

21 b. For a taxpayer with net income exceeding forty-five
22 thousand dollars but not exceeding fifty thousand dollars,
23 eighty-eight percent.

24 c. For a taxpayer with net income exceeding fifty thousand
25 dollars but not exceeding sixty thousand dollars, seventy-five
26 percent.

27 d. For a taxpayer with net income exceeding sixty thousand
28 dollars but not exceeding seventy thousand dollars, sixty-three
29 percent.

30 e. For a taxpayer with net income exceeding seventy thousand
31 dollars but not exceeding eighty thousand dollars, fifty
32 percent.

33 *f.* For a taxpayer with net income exceeding eighty thousand
34 dollars but not exceeding ninety thousand dollars, thirty-eight
35 percent.

- 1 *g.* For a taxpayer with net income exceeding ninety thousand
2 dollars but not exceeding one hundred thousand dollars,
3 twenty-five percent.
- 4 *h.* For a taxpayer with net income exceeding one hundred
5 thousand dollars but not exceeding one hundred twenty-five
6 thousand dollars, thirteen percent.
- 7 *i.* For a taxpayer with net income exceeding one hundred
8 twenty-five thousand dollars but not exceeding one hundred
9 fifty thousand dollars, ten percent.
- 10 *j.* For a taxpayer with net income exceeding one hundred
11 fifty thousand dollars but not exceeding one hundred
12 seventy-five thousand dollars, five percent.
- 13 *k.* For a taxpayer with net income exceeding one hundred
14 seventy-five thousand dollars but not exceeding two hundred
15 thousand dollars, three percent.
- 16 *l.* For a taxpayer with net income exceeding two hundred
17 thousand dollars but not exceeding two hundred fifty thousand
18 dollars, two percent.
- 19 *m.* For a taxpayer with net income exceeding two hundred
20 fifty thousand dollars, zero percent.

21 DIVISION II

22 CHILD CARE CENTER AND CHILD CARE HOME GRANTS

23 Sec. 2. NEW SECTION. 237D.1 Definitions.

24 As used in this chapter, unless the context otherwise
25 requires:

- 26 1. "*Child*" means the same as defined in section 237A.1.
- 27 2. "*Child care*" means the same as defined in section 237A.1.
- 28 3. "*Child development home*" means the same as defined in
29 section 237A.1.
- 30 4. "*Department*" means the department of human services.
- 31 5. "*Facility*" means the same as defined in section 237A.1.
- 32 6. "*Fund*" means the child care center and child development
33 home grant fund.
- 34 7. "*Home*" means a child development home.
- 35 8. "*Licensed child care center*" or "*center*" means a facility

1 Sec. 5. NEW SECTION. 237A.31 **Small business child care tax**
2 **credit.**

3 1. As used in this section "*small business*" means any
4 enterprise which is located in this state, which is operated
5 for profit and under a single management, and which has either
6 fewer than twenty employees or an annual gross income of less
7 than four million dollars computed as the average of the three
8 preceding fiscal years. This definition does not apply to any
9 program or activity for which a definition for small business
10 is provided for the program or activity by federal law or
11 regulation or other state law.

12 2. A small business may receive a child care tax credit
13 for providing child care employee benefits to employees of the
14 business. The credit may be applied against income tax imposed
15 under chapter 422, subchapter II or III, the franchise tax
16 imposed under chapter 422, subchapter V, the gross premiums
17 tax imposed under chapter 432, or the moneys and credits tax
18 imposed in section 533.329. The amount of the credit equals
19 the costs to provide the benefit up to three thousand dollars
20 per employee per year.

21 3. The aggregate amount of tax credits authorized pursuant
22 to this section shall not exceed a total of two million
23 dollars per fiscal year, and shall be awarded on a first-come,
24 first-served basis.

25 4. To be eligible for a small business child care tax
26 credit, the small business must provide child care employee
27 benefits to employees of the business through any of the
28 following:

29 a. Build a new structure or rehabilitate an existing
30 structure to be used as a child care center at or near the small
31 business where the children of the employees of the business
32 are provided child care. A small business may construct or
33 rehabilitate the structure in conjunction with another business
34 but only the actual cost of the business shall be considered in
35 determining the credit.

1 *b.* Operate or lease a child care center at or near the small
2 business where the children of the employees of the business
3 are provided child care.

4 5. Any credit in excess of the tax liability is not
5 refundable but the excess for the tax year may be credited
6 to the tax liability for the following five years or until
7 depleted, whichever is earlier. The director of revenue shall
8 adopt rules to implement this section.

9 Sec. 6. NEW SECTION. **422.120 Small business child care tax**
10 **credit.**

11 1. The taxes imposed under this subchapter, less the credits
12 allowed under section 422.12, shall be reduced by a small
13 business child care tax credit received pursuant to section
14 237A.31.

15 2. An individual may claim the tax credit allowed a
16 partnership, S corporation, limited liability company, estate,
17 or trust electing to have the income taxed directly to the
18 individual. The amount claimed by the individual shall be
19 based upon the pro rata share of the individual's earnings of a
20 partnership, S corporation, limited liability company, estate,
21 or trust.

22 Sec. 7. Section 422.33, Code 2022, is amended by adding the
23 following new subsection:

24 NEW SUBSECTION. 32. The taxes imposed under this subchapter
25 shall be reduced by a small business child care tax credit
26 received pursuant to section 237A.31.

27 Sec. 8. Section 422.60, Code 2022, is amended by adding the
28 following new subsection:

29 NEW SUBSECTION. 15. The taxes imposed under this subchapter
30 shall be reduced by a small business child care tax credit
31 received pursuant to section 237A.31.

32 Sec. 9. NEW SECTION. **432.120 Small business child care tax**
33 **credit.**

34 The taxes imposed under this chapter shall be reduced by
35 a small business child care tax credit received pursuant to

1 section 237A.31.

2 Sec. 10. Section 533.329, subsection 2, Code 2022, is
3 amended by adding the following new paragraph:

4 NEW PARAGRAPH. *m.* The moneys and credits tax imposed under
5 this section shall be reduced by a small business child care
6 tax credit received pursuant to section 237A.31.

7 Sec. 11. APPLICABILITY. This division of this Act applies
8 to tax years beginning on or after January 1, 2023.

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DIVISION IV

10

STATE CHILD CARE ASSISTANCE

11 Sec. 12. Section 237A.13, subsection 7, paragraph c, Code
12 2022, is amended to read as follows:

13 *c.* Families with an income of more than one hundred
14 percent but not more than ~~one~~ two hundred ~~forty-five~~ percent
15 of the federal poverty level whose members, for at least
16 twenty-eight hours per week in the aggregate, are employed
17 or are participating at a satisfactory level in an approved
18 training program or educational program.

19 Sec. 13. DIRECTIVE TO DEPARTMENT OF HUMAN SERVICES — CHILD
20 CARE ASSISTANCE.

21 1. The department of human services shall amend its
22 administrative rules pursuant to chapter 17A to do all of the
23 following:

24 a. Provide income eligibility for state child care
25 assistance, according to family size for children needing basic
26 care, to families whose nonexempt gross monthly income does not
27 exceed two hundred percent of the federal poverty level.

28 b. Adjust the state child care assistance copayment
29 schedule in incrementally increased amounts for families whose
30 nonexempt gross monthly income does not exceed two hundred
31 percent of the federal poverty level.

32 2. The rules adopted pursuant to this section shall take
33 effect January 1, 2023.

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DIVISION V

35

ECONOMIC DEVELOPMENT LEGISLATIVE FINDINGS

1 Sec. 14. Section 96.2, Code 2022, is amended to read as
2 follows:

3 **96.2 Guide for interpretation.**

4 1. As a guide to the interpretation and application of
5 this chapter, the public policy of this state is declared to
6 be as follows: Economic insecurity due to unemployment is
7 a serious menace to the health, morals, and welfare of the
8 people of this state. Involuntary unemployment is therefore
9 a subject of general interest and concern which requires
10 appropriate action by the legislature to prevent its spread
11 and to lighten its burden which now so often falls with
12 crushing force upon the unemployed worker and the worker's
13 family. The achievement of social security requires protection
14 against this greatest hazard of our economic life. This can
15 be provided by encouraging employers to provide more stable
16 employment and by the systematic accumulation of funds during
17 periods of employment to provide benefits for periods of
18 unemployment, thus maintaining purchasing power and limiting
19 the serious social consequences of poor relief assistance.
20 The legislature, therefore, declares that in its considered
21 judgment the public good and the general welfare of the
22 citizens of this state require the enactment of this measure,
23 under the police powers of the state, for the compulsory
24 setting aside of unemployment reserves to be used for the
25 benefit of persons unemployed through no fault of their own.

26 2. It is the finding of the legislature that true economic
27 development can only be achieved when workers are given the
28 respect they deserve. Economic development must include all
29 residents of this state, including men and women, people of all
30 gender identities, minorities, and immigrants. The legislature
31 further finds that economic development should include but not
32 be limited to residents of this state being paid a living wage,
33 this state being a welcoming place for immigrants, child care
34 and housing being readily affordable and available, and public
35 workers having collective bargaining rights.>

1 2. Title page, by striking line 1 and inserting <An Act
2 relating to economic development including child care, grants
3 and tax credits relating to child care, state child care
4 assistance, legislative findings, and including applicability
5 provisions.>>

HUNTER of Polk